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CITY OF INDIANAPOLIS



January 4, 1993

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Federal Communications Commission 1919 M Street NW Washington, D.C. 20554

JAN 15 1993 FEDERAL COMMUNICATIONS COMMISSION OFFICE OF THE SECRETARY

FOC-MAIL ROOM

Dear Commissioners:

As you consider various models for regulation of basic rates, I ask that you recognize changes implemented by cable companies to undermine your legislative mandate; to empower local governments to be responsive to their respective constituencies.

Clearly, the move toward "tiered" service was designed to remove services, previously considered "standard" from regulatory authority. The City of Indianapolis recognizes the intent of the regulation of basic rates and our responsibility as proposed in the passage of Senate 12. Should effective competition ever be introduced in our area, perhaps we'll be relieved of these burdensome responsibilities but, in the meantime, our local cable companies are taking steps to circumvent the intent of the law.

Predictably, one of our local cable companies has lowered its basic rate and dramatically increased all other program and auxiliary services. This is a direct affront to the intent of the legislation. The City of Indianapolis will watch "basic" rates remain consistently within federal guidelines while "extended basic" or "satellite programming service" and auxiliary services continue to escalate exploiting our constituency.

Currently, less than .25% of our nearly 200,000 cable subscribers subscribe to the minimum service. As a practical matter, the regulation of "basic" service without consideration of extended fee schedules is farcical, at best.

It is my hope that, as you proceed with your investigations, consideration is given to making basic service more competitive with "extended basic" and the effects regulation of basic service has upon extended and premium programming services, installation and additional outlets charges and equipment rental fees.

Thank you for your consideration in this important matter.

Sincerely,

John R. Knox, Manager Government Cable Channel 16 City of Indianapolis gi su nii npica recid<u>o</u> ginuu Bu B E